

**DRAFT**

# **FY2016/17 Preliminary Budget Workshop**

November 12, 2015

# Presentation Outline

- Budget Process Statutory Milestones
- DEP Budget Guidance
- Ad Valorem Revenue Estimates
- Reserves Considerations
- DEP FY16/17 Funding Request
- Workforce Discussion
- Strategic Plan Priorities

# Budget Process Statutory Milestones

- **By January 15, each water management district shall submit a preliminary budget for the next fiscal year for legislative review**
- **By March 1, Legislature may submit comments on preliminary budget to the districts**
- **Districts shall respond in writing by March 15**
- **Outcome of legislative review process (including any amendments to preliminary budget submission) becomes basis for tentative budget submission on August 1**

# Budget Process Statutory Milestones

- **By July 1 – Receive certification of taxable values from property appraisers**
  - Complete required millage rate calculations
  - Return completed certifications to property appraisers by August 5
- **August 1 – Submit FY 16/17 Tentative Budget to Governor and Legislative Budget Commission (LBC)**

# Budget Process Statutory Milestones

- **By September 5 – Receive general Legislative comments**
- **September 8 – FY16/17 Tentative Millage Rate and Budget Adoption Public Hearing**
- **September 13 – Governor's Office/LBC budget disapprovals due**
- **September 20 – FY16/17 Final Millage Rate and Budget Adoption Public Hearing**
- **September 30 – Submit Adopted Budget to Governor and Legislature 10 days after adoption**

# DEP Budget Guidance

- **Focus on core missions**
- **Hold ad valorem at current levels**
- **Implement efficiencies that reduce operational expenses, non-core costs and administrative overhead**
- **Direct funding to restoration and public works**
- **Continue implementation plans for beneficial use of reserves**

# 5-Year Estimated Ad Valorem Revenue

	<b>FY 16/17</b>	<b>FY 17/18</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>
<b>Prior Year Ad Valorem</b>	<b>266.9</b>	<b>268.1</b>	<b>270.0</b>	<b>272.7</b>	<b>275.6</b>
<b>Value Adjustment Board</b>	<b>-2.6</b>	<b>-2.5</b>	<b>-2.4</b>	<b>-2.5</b>	<b>-2.5</b>
<b>New Construction</b>	<b>3.8</b>	<b>4.4</b>	<b>5.1</b>	<b>5.4</b>	<b>6.2</b>
<b>Ad Valorem Estimate</b>	<b>268.1</b>	<b>270.0</b>	<b>272.7</b>	<b>275.6</b>	<b>279.3</b>
<b>Annual Change (based on New Construction only)</b>	<b>1.2</b>	<b>1.9</b>	<b>2.7</b>	<b>2.9</b>	<b>3.7</b>

- Assumes existing homeowners pay same tax
- Increase in revenue due to new construction value added to taxroll



# District Reserves

## \* 2015/16 Budget Resolution

<b>Reserves with Restrictions</b>	<b>\$165.3</b>
<b>Hurricane/Emergency Reserve</b>	<b>\$60.0</b>
<b>Big Cypress Basin Fund Balance</b>	<b>\$11.0</b>
<b>Mitigation - Lakebelt/Wetland</b>	<b>\$51.8</b>
<b>Alligator Alley toll \$ for C-111 South Dade</b>	<b>\$8.4</b>
<b>Dispersed Water Management State \$</b>	<b>\$4.5</b>
<b>Health/Workers Comp Benefit Reserve</b>	<b>\$13.3</b>
<b>Kissimmee/Southern CREW ACQ Balance</b>	<b>\$4.2</b>
<b>State/Federal Lands Lease Revenue</b>	<b>\$8.5</b>
<b>L-31 East Flow Way</b>	<b>\$1.6</b>
<b>License Tag Funds/Florida Bay</b>	<b>\$1.8</b>
<b>Debt Proceeds Interest</b>	<b>\$0.2</b>



# District Reserves

## \* 2015/16 Budget Resolution

<b>Reserves without Restrictions</b>	<b>\$205.0</b>
<b>Restoration Strategies</b>	<b>\$105.9</b>
<b>Budget Stabilization</b>	<b>\$15.6</b>
<b>Lakeside Ranch STA Ph.2</b>	<b>\$9.9</b>
<b>Lake Hicpochee Hydrologic Enhancement</b>	<b>\$9.9</b>
<b>Cooperative/Local Agreements</b>	<b>\$9.0</b>
<b>O&amp;M New Works Additional Costs</b>	<b>\$7.3</b>
<b>Ten Mile Creek</b>	<b>\$7.2</b>
<b>C-44 Reservoir/STA</b>	<b>\$5.0</b>
<b>Performance Merit Bonus</b>	<b>\$4.7</b>
<b>Kissimmee Land Acquisition/Construction Payments</b>	<b>\$4.0</b>
<b>Central Florida Watershed Initiative</b>	<b>\$3.1</b>
<b>O&amp;M 2.0</b>	<b>\$2.8</b>
<b>Tax Collector &amp; Property Appraiser Fees</b>	<b>\$2.7</b>
<b>ASR Start-up &amp; Design</b>	<b>\$2.5</b>
<b>Southern CREW</b>	<b>\$2.3</b>
<b>C-43 West Storage Reservoir</b>	<b>\$2.2</b>

# District Reserves

## \* 2015/16 Budget Resolution

O&M Capital Engineering & Design	\$2.0
C-111 South Dade Federal Project	\$1.5
Picayune Strand	\$1.0
Fleet	\$1.0
Lake Okeechobee Watershed Planning	\$1.0
Pump station maintenance	\$0.8
Source Control	\$0.8
C-43 WQ Testing Facility (BOMA)	\$0.6
IRL NEP Council	\$0.5
C-37 Dredge Site Cleanup	\$0.4
S-9 Bridge Cost Share Project	\$0.3
New Works Start-up Equipment	\$0.3
Land Management	\$0.2
Lake Kissimmee Littoral Topography Map	\$0.2
Caloosahatchee Watershed	\$0.1
Lygodium tree island surveys - WCA-3	\$0.1
Other	\$0.3

# Reserves Considerations

- **Maintain Hurricane/Emergency reserves to ensure emergency response resources**
- **Allocate reserves to current ready to go project needs, including operating costs, over the next several years**
  - **Restoration Strategies consent order driven projects**
  - **Currently ongoing restoration projects – C44, C43, Lakeside, Picayune**
  - **Current Federal projects-Kissimmee, C-111 South Dade**

# FY2016/17 DEP Funding Requests

- **Everglades Restoration \$151M**
  - \$60M C-44 Reservoir and STA
  - \$56M C-43 West Storage Reservoir
  - \$32M Restoration Strategies
  - \$3M CERP Planning, Design, Engineering
- **Land Acquisition \$27.7M**
  - Lake Hicpochee \$16.9M
  - Biscayne Bay Coastal Wetlands \$5.8M
  - Picayune Strand Restoration \$5M

# FY2016/17 DEP Funding Requests

- **BMAP \$19M**
  - Lakeside Ranch STA Phase II \$11M
  - C-43 Water Quality Treatment & Demonstration \$8M
- **Other \$8.9M**
  - Dispersed Water Management \$5M
  - Land Management \$3.9M
- **Total DEP Funding Requests \$206.6M**

# Workforce Discussion

- FY15/16 1530 authorized FTE
- Currently 88 vacancies
- Recommendation:
  - Hold authorized FTE at 1450
  - Potential savings up to \$7M
  - Subject to continued evaluation

## Next Steps

- Staff evaluation of project estimates and schedules
- Recommended project listing for December discussion
- Complete drafting preliminary FY16/17 budget, including FY15/16 re-budgeted items
- Present preliminary budget to Governing Board December 10<sup>th</sup>
- Finalize report and submit to Legislature on January 15<sup>th</sup>



# Current Strategic Plan Priorities

- Refurbishing, replacing, improving and managing the regional water management system;
- Restoring the Northern and Southern Everglades;
- Meeting the current and future demands of water users and the environment; and
- Ensuring South Florida's taxpayers receive efficient and effective customer service.

# Current Strategic Plan Priorities

- Future meeting:
  - Receive guidance from the Board on changes to priorities
  - Consider updates or changes to the implementation steps and metrics
  - Current metrics distributed in quarterly reporting
- Final Strategic Plan priority updates to be included in SFER due March 1, 2016

# Discussion

- **Governing Board Discussion**